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An Act To Amend the Laws Governing Abatement of Property Taxes Due to Infirmity or Poverty

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §841, sub-§2, as amended by PL 2005, c. 169, §1, is further amended to read:

2. Infirmity or poverty. The municipal officers or the State Tax Assessor for the unorganized territory, within 3 years from commitment, may, on their own knowledge or on written application therefor, make such abatements as they believe reasonable on the real and personal taxes on the primary residence of any person who, by reason of infirmity or poverty, is in their judgment unable to contribute to the public charges. The municipal officers or the State Tax Assessor for the unorganized territory may extend the 3-year period within which they may make abatements under this subsection, but the decision on eligibility for an abatement may be deferred until the tax collector takes action pursuant to section 942 to enforce the lien to secure payment of some or all of the property taxes from which the applicant seeks relief or is within 30 days of taking such an action. In determining eligibility for relief under this section, the municipal officers and the State Tax Assessor may consider the value of any real or personal property owned by the applicant as asset-based resources available to contribute to the public charges as long as the use of those assets for that purpose does not impair the ability of the applicant to continue to live in the primary residence and provide for the applicant's basic needs.

Municipal officers or the State Tax Assessor for the unorganized territory shall:

- A. Provide that any person indicating an inability to pay all or part of taxes that have been assessed because of poverty or infirmity be informed of the right to make application under this subsection;
- B. Assist individuals in making application for abatement;
- C. Make available application forms for requesting an abatement based on poverty or infirmity and provide that those forms contain notice that a written decision will be made within 30 days of the date of application;
- D. Provide that persons are given the opportunity to apply for an abatement during normal business hours;
- E. Provide that all applications, information submitted in support of the application, files and communications relating to an application for abatement and the determination on the application for abatement are confidential. Hearings and proceedings held pursuant to this subsection must be in executive session;
- F. Provide to any person applying for abatement under this subsection, notice in writing of their decision within 30 days of application; and

G. Provide that any decision made under this subsection include the specific reason or reasons for the decision and inform the applicant of the right to appeal and the procedure for requesting an appeal.; and

H. Provide to an applicant found eligible for relief under this subsection either an abatement of the delinquent property taxes proportionate to the applicant's lack of capacity to contribute to the public charges or a waiver of tax lien foreclosure pursuant to section 944, subsection 5.

Sec. 2. 36 MRSA §944, sub-§5 is enacted to read:

5. Waiver for reasons of poverty or infirmity. When the municipal officers or the State Tax Assessor determines an applicant eligible for relief pursuant to section 841, subsection 2 and elects to cause the foreclosure to be waived, this section applies except that the municipal officers shall authorize the treasurer to waive the foreclosure and action for equitable relief may not be commenced until the subject property is sold or transferred.

SUMMARY

This bill amends the laws governing abatement of property taxes due to infirmity or poverty in 3 ways. The bill clarifies that a decision regarding an application for a poverty abatement may be deferred until the usual period to pay the property taxes has expired and the tax collector takes action to enforce the lien or is within 30 days of taking such action. The bill also clarifies that the value of real and personal property owned by the applicant may be considered as available to contribute to the public charges as long as use of that property for that purpose does not impair the ability of the applicant to remain in the applicant's residence and provide for the applicant's basic needs. The bill also authorizes the municipal officers or the State Tax Assessor to either grant an abatement to an applicant determined eligible for relief or waive the tax lien foreclosure according to the process generally available under law, except that under this type of waiver any subsequent enforcement of the tax lien is available only when the property is sold or transferred.